

localinsights

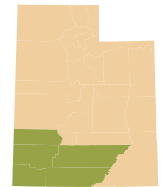
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An economic and labor market analysis of the Southwest Utah Area

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Employment by Race, Ethnicity and Gender in Southwest Utah



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The value of demographic data for business development.

BY LECIA PARKS LANGSTON, ECONOMIST

Southwest Utah's labor force may not seem particularly diverse (Beaver, Garfield, Iron, Kane and Washington Counties). White, non-Hispanics comprise roughly 90 percent of the workforce compared to less than 70 percent in the United States. However, this region of Utah continues to show increasing racial and ethnic diversity. Recently-released Equal Employment Opportunity (EEO) tabulations using American Community Survey data help us understand that growing diversity. These data provide an intriguing look into the occupational patterns in ethnicity, race and gender in Southwest Utah.

The occupational tabulations were produced using data collected by the U.S. Census Bureau. While the gender breakdowns used in data collection are obvious, the race and ethnicity groupings require some explanations.

Defining Race and Ethnicity

The EEO tabulations include only one ethnic group: Hispanic or Latino. The

Census Bureau defines these individuals as persons of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin regardless of race. Using Census Bureau definitions, Hispanic or Latino remains an ethnic designation, not a racial designation. Any race can be represented in this ethnic group.

When surveyed, individuals are asked to identify both their race and ethnicity beginning with ethnicity. Ethnicity is a persons' heritage, nationality group, lineage, country of birth or parents or ancestors' country of birth prior to arrival in the United States.

For tabulation purposes, Hispanics or Latinos are split into only two racial categories—white alone and all other. In the Not Hispanic or Latino ethnic group, the EEO formulations provide racial breakouts for five, single-race categories as well as four, two-or-more race categories and a balance grouping. Single-race categories are as follows:





Employment by Race, Ethnicity and Gender Continued

white, black or African American, American Indian and Alaska Native, Asian and Native Hawaiian or other Pacific Islander. Altogether, 12 categories of race and ethnicity are available.

Ethnic and Racial Breakdown of the Labor Force

In Southwest Utah where the labor market shows relatively little ethnic or racial diversity, the non-Hispanic category, blacks or African Americans comprise a mere 0.2 percent of the labor force and Hawaiian or Pacific Islanders only 0.5 percent. American Indians, Asians, and those of two more or other races account for about 1 percent of the Southwest workforce each. Hispanics

accounted for 8.5 percent of the labor force, encompassing by far, the largest minority group. The two largest counties in Southwest Utah (Washington and Iron) also showed the most racial and/or ethnic diversity in the region. Interestingly, Beaver County showed a relatively high Latino population.

Because of the small shares of non-white workers and the wide margins of error, the workers were into three groups for the occupational analysis: White, non-Hispanic, Hispanic or Latino and all other non-Hispanic racial categories. While detailed occupational data are available from the EEO tabulations, the geographic county-level groupings are far different from those used here. For example, Beaver and Iron counties are grouped with Millard County, Washington County stands alone and Garfield and Kane are combined with six other counties in central and southeast Utah. Therefore, this analysis uses the broad occupational categories with brief forays into the detailed occupations.

The Latino Connection

Perhaps the most striking finding relates to the concentration of Hispanic or Latino

workers in several major occupational categories. Hispanics or Latinos comprised roughly 8.5 percent of the Southwest Utah work force but 20 percent of construction/extraction workers, 20 percent of laborers and helpers, 16 percent of production/operative workers and 15 percent of non-protective service workers.

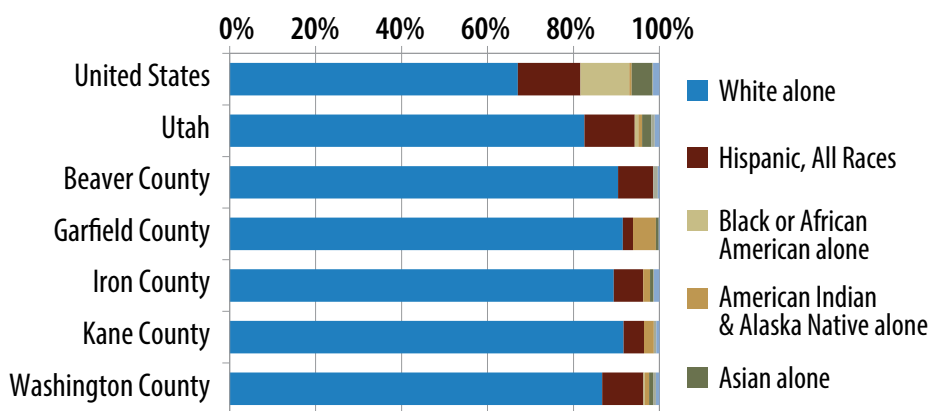
In fact, more than one-fourth of the area's Hispanic or Latino workers were classified in non-protective service occupations. Only 14 percent of white, non-Hispanics worked in these typically low-paying occupations. By far, cooks showed the largest number of Hispanic or Latino workers in this occupational group. Hairstylists and waiters/waitresses also display a notable number of Hispanic Latino workers.

Another fifth of all Hispanic workers were categorized as construction/extraction workers compared to only 8 percent of white, non-Hispanics. In the construction occupations, the largest number of Hispanic or Latino workers was lower-paid construction laborers, while few Hispanics or Latinos were highly-skilled electricians, plumbers or heavy-equipment operators.

Roughly 11 percent of Hispanic workers (but only 4 percent of white, non-Hispanics) were employed as laborers and helpers. Hispanic or Latino workers' heavy presence in this group can be traced to a large contingent of Hispanic agricultural workers. Again, these jobs generally pay lower-than-average wages.

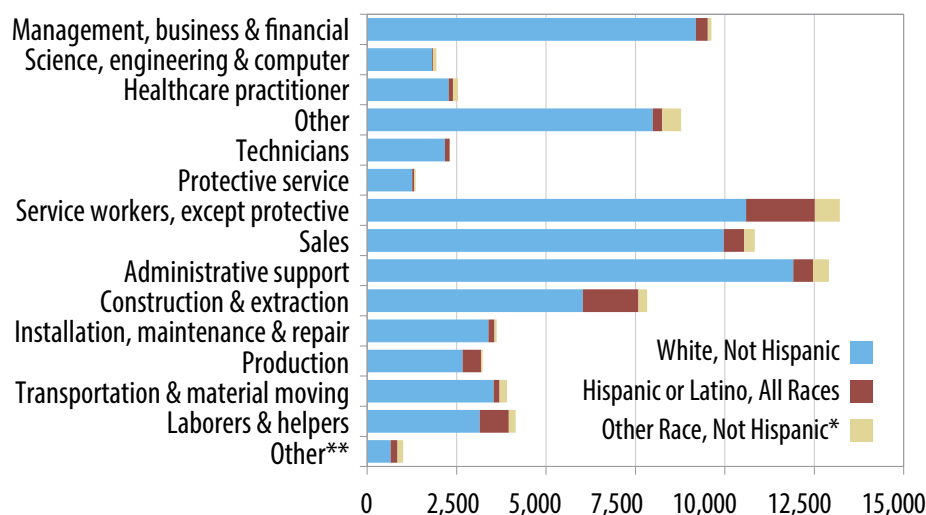
On the other hand, few Hispanic or Latino workers were found among science/computer/engineering occupations, healthcare practitioner professions, technicians or protective service occupations. Hispanics or Latinos were also under-represented in occupations requiring a bachelor's degree or higher. Moreover, 19 percent of the unemployed, those that had no work experience in the previous five years or those that listed a military occupation were Hispanic or Latino compared to their 8.5 percent share of the labor force.

Figure 1: Total Labor Force by Race and Ethnicity 2006 to 2010



Source: U.S. Census Bureau; American Community Survey EEO Tabulation

Figure 2. Southwest Utah's Occupational Employment by Race and Ethnicity 2006 to 2010



*Includes individuals of two or more races.

** Unemployed, no work experience in last five years of military occupation.

Source: U.S. Census Bureau; American Community Survey EEO Tabulation

Why the concentration of Hispanic workers in lower-paying occupations? Lower educational attainment coupled with the recent in-migrant status of many Latino workers undoubtedly contributed to this notable occupational segregation.

Not White, Not Hispanic

Non-Hispanics also showed a notably different occupational distribution in Southwest Utah than did white, non-Hispanics. Minority workers were relatively highly concentrated in non-protective service occupations (20 percent). Food service occupations accounted for much of this employment. Another 14 percent held clerical occupations. However, in contrast to Hispanics or Latinos, 16 percent of minority workers had professional-level jobs. Employment in these professional occupations appeared to be concentrated in education and community and social service occupations.

The Gender Divide

In the past, feminists talked about the “pink collar ghetto” or the segregation of women into certain occupational groups. While women have moved into some nontraditional occupations, they have made only small incursions into others. The EEO employment tabulations indicated that 44 percent of the southwest Utah labor force is women. All other things being equal, we would then expect

women to make up 44 percent of each major occupational group, which was certainly not the case.

Southwest Utah women dominated some major occupations, but were notably absent in others. Major occupations maintaining high concentrations of southwest Utah female workers in 2006-2010 included administrative support/clerical (79 percent female), non-protective service occupations (65 percent) and healthcare practitioner professionals (60 percent). There's an interesting dichotomy here. Women make up a preponderance of the lower-paying non-protective services occupations, but also a larger-than-average share of healthcare professionals which tend to be higher-paid positions. However, keep in mind that the majority of Southwest Utah women in healthcare practitioner occupations are nurses rather than doctors.

Major occupations where the Southwest women's occupational share equaled their labor force share included technicians (49 percent), sales (51 percent) and other professionals (55 percent). Other professionals included education, community social services and legal occupations. While women made up a substantial share of sales occupations, they dominated the lower-paying cashier and retail-salesperson categories. Men were more likely to hold supervisory positions or higher-paying business sales or sales-representative positions. In the other professionals category, women tended to prevail in elementary education, but men showed higher concentrations of post-secondary instruction.

“It is time for parents to teach young people early on that in diversity there is beauty and there is strength.”

— Maya Angelou



Employment by Race, Ethnicity and Gender Continued

Southwest Utah women made up only a small share of many blue-collar jobs and scientific/engineering/computer occupations. They were notably absent in construction/extraction occupations (less than 1 percent of total employment), installation/maintenance/repair jobs (3 percent), science/engineering/computer professionals (14 percent) and

transportation/material moving operative workers (16 percent).

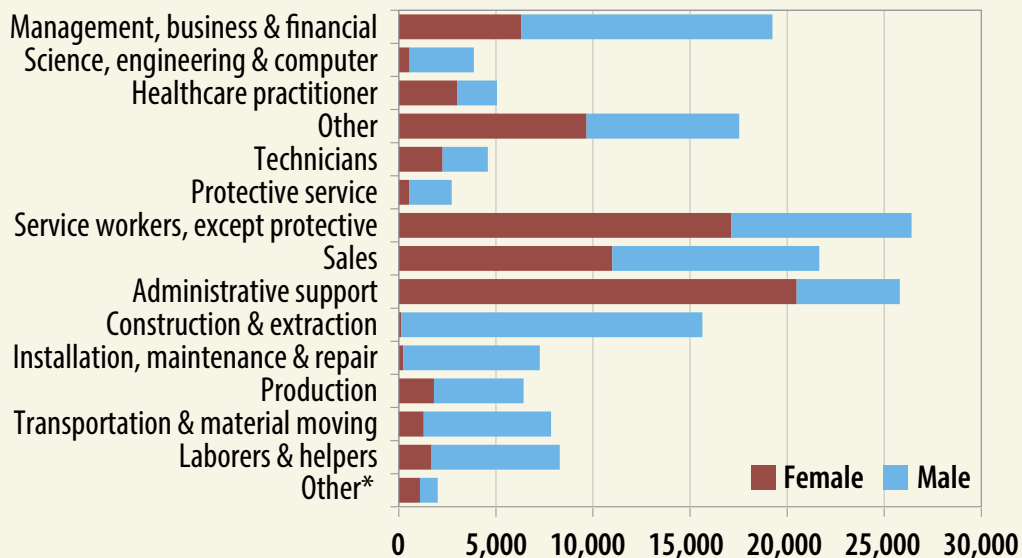
In many ways, the occupations of southwest Utah women mirrored the occupations of U.S. and Utah women. However, some noteworthy differences did bubble to the surface. While southwestern Utah women made up 44 percent of the area's workforce, U.S. women comprised 47 percent of the national workforce. Therefore, all other things being equal, we would expect U.S. women to show a higher share of employment in each major occupational group than Utah women.

In some occupations, southwestern Utah women showed a much smaller employment share of the occupational group than did U.S. women. These clusters included business/financial, science/engineering/computer and healthcare practitioners. The same held true for women statewide. Utah women

were much less likely to be employed in occupations requiring higher education than were U.S. women. These occupations also tended to be among the highest-paying occupations. On the other hand, the Southwest women showed a notably larger share of occupational employment than U.S. women in administrative support or clerical occupations. The comparative shortage of southwestern Utah and Utah women in higher-paying occupations undoubtedly contributed to the higher-than-average male/female wage gap for these areas.

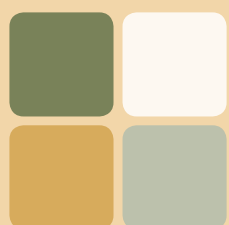
To access an interactive visualization of this data go to <http://public.tableausoftware.com/views/EEOMajor>

Figure 3: Southwest Utah Occupational Employment by Gender 2006 to 2010



Source: U.S. Census Bureau; American Community Survey EEO Tabulation

* Unemployed, no work experience in last five years of military occupation.



Current State of the Economy in Southwest Utah

BY LECIA PARKS LANGSTON, ECONOMIST

While the counties of Southwest Utah are joined geographically, their economies behave quite differently. Beaver County is currently booming while Garfield County continues to shed employment. Washington County's economy is traveling in the "just right," Goldilocks zone while Iron and Kane counties seek to break through to a consistent level of expansion. However, most of these local economies can claim some measure of economic health and stability.

Beaver County

In recent years, Beaver County's economic landscape has been dominated by the ebb and flow of large-project construction employment. Third quarter 2013 proved no exception to the pattern. Between September 2012 and September 2013, small Beaver County added 300 new jobs. The accompanying job-growth rate of 13.7 percent placed Beaver County in the top spot in Utah.

On the other hand, roughly two-thirds of these positions occurred in construction and will eventually disappear. Nevertheless, mining, manufacturing,

utilities, leisure and hospitality services and government all added notable numbers of new positions which should continue into the future.

With such strong employment expansion, the county's unemployment rate has dropped dramatically. In fact, Beaver County's December 2013 unemployment rate estimate stands at 3.6 percent—lower than the Utah average of 4.1 percent, this is an uncommon occurrence for rural counties.

Not only did construction dominate the employment scene, but large-business expenditures in construction and manufacturing overshadowed its gross taxable sales figures. Between the third quarters of 2012 and 2013, sales increased by a whopping 44 percent.

Even with the evaporation of the current construction employment surge, the county should still find itself on a sound economic footing.

Garfield County

In contrast to Beaver County, third quarter 2013 found Garfield County once again shedding employment. Garfield only

experienced year-over job gains in four of the last 32 months. Although the area was among the first Utah counties to expand as the recession ended, its labor market now struggles.

Between September 2012 and September 2013, Garfield lost more than 150 jobs (a decline of 5.6 percent). Moreover, the county's employment levels measured lower than in any year since the end of the recession.

The current rash of employment declines can be laid at the feet of the county's key industry. Leisure and hospitality services lost nearly 160 jobs in the 12 months following September 2012. The next-largest industry loss (government's 16-job decline) paled in comparison. Meager employment gains in private education and health and social services provided little to offset the aforementioned losses.

Garfield County's jobless rate remained stubbornly high at 9.3 percent in December 2013. Of course, Garfield generally displays a higher-than-average unemployment rate due to the very seasonal nature of its economy. On the



Current State of the Economy Continued

other hand, the county's jobless rate has not dropped as steadily or as dramatically as in many neighboring counties.

Gross taxable sales provide the brightest economic note. Third-quarter sales increased by 5 percent and follow a relatively steady wave of sales improvements.

Changes in employment levels provided the best indicator of a local economy's condition. Until Garfield County can consistently grow jobs, its economy will continue to suffer.

Iron County

Iron County persisted along the bumpy road to economic recovery. After four months of improving (if not stellar) job growth, the county once more slipped into negative territory. The September 0.3-percent job loss is probably not cause for concern. The major damage occurred in the public sector and may be a seasonal

aberration, rather than a result of the federal government shutdown in October.

Overall, between September 2012 and September 2013, Iron County lost fewer than 50 jobs. Unfortunately, in addition to the notable drop in government employment, most major industries lost a slight number of positions. Robust expansion in construction and private education and health and social services kept the county's job totals from sinking further into the red. Also, the county added 26 covered agricultural jobs which were not included in the nonfarm job total.

The county's unemployment rates continued to edge downward suggesting an improving labor market. In December 2013, Iron County jobless rate measured 5.1 percent—almost half its peak recession figure of 10 percent.

Gross taxable sales and new car and truck sales provided some of the happiest economic news. The county's third quarter, 4-percent increase in gross taxable sales continued a nine-quarter streak of improving sales. Although new construction permitting data are not available, figures for early 2013

showed very strong gains which have obviously come to fruition in booming construction employment.

Moving forward, the healthy additions in construction and education/health/social services should help spur better performances among the county's other sectors. In addition, announcements of several large construction projects and new manufacturing employment portend a better labor market future.

Kane County

In recent years, Kane County's labor market has shied away from a solid trend. For the most part, the county has added jobs, but in a sporadic and lackluster pattern (a common occurrence for smaller counties). However, the erratic gains have added up. By year end, Kane County will have almost regained its pre-recession employment losses, which is no small feat.

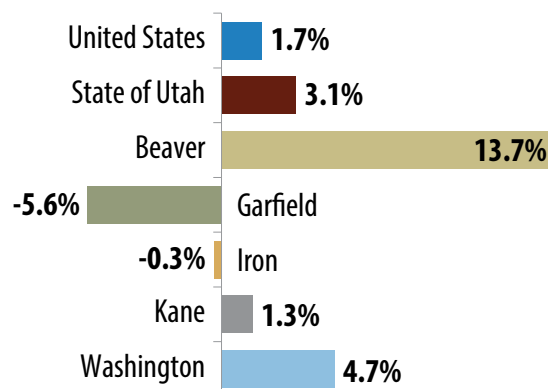
Monthly third quarter jobs figures held up to their irregular reputation, ranging from a 6.1 percent year-to-year gain in July to a 1.3 percent increase in September. However, overall third quarter 2013 nonfarm employment increased by almost 4 percent representing a gain of more than 120 jobs.

During the third quarter, most industries eked out some employment improvements. However, leisure and hospitality services and government produced the most new jobs. Goods-producing industries limped along, discarding jobs throughout the entire quarter.

In December 2013, Kane County's unemployment rate estimate registered 5.1 percent which is down by almost half since its recessionary peak. As in most rural counties, Kane County's jobless rate measured higher than the statewide average (4.1 percent).

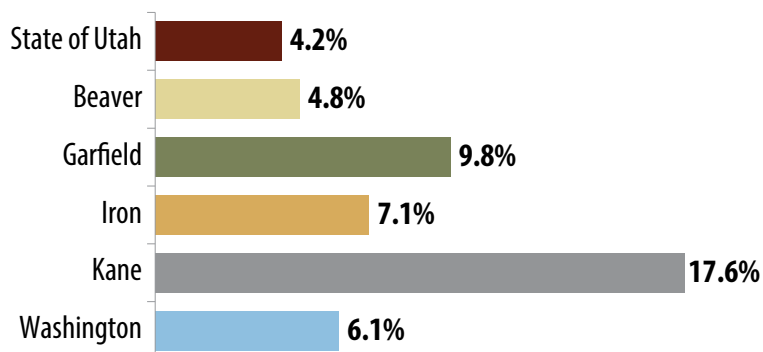
Gross taxable sales also improved growing almost 3 percent between the third quarters of 2012 and 2013. Although this indicator isn't always positive, it has certainly shown the most consistent improvement since the end of the recession.

Figure 4: Change in Nonfarm Jobs September 2012 to September 2013



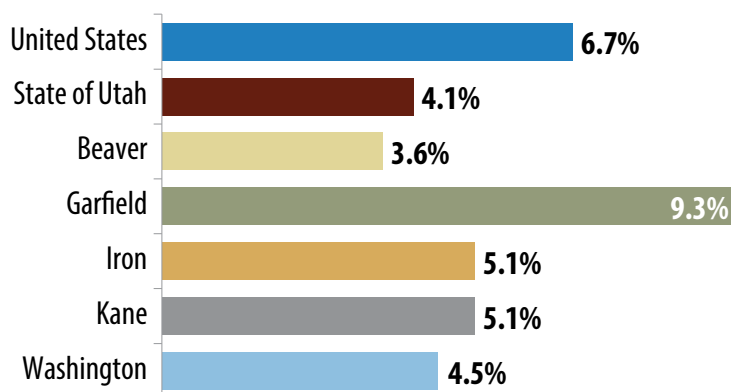
Source: Bureau of Labor Statistics

Figure 5: Change in Private Education, Health and Social Services Employment September 2012 to September 2013



Source: Bureau of Labor Statistics

Figure 6: Seasonally Adjusted Unemployment Rates December 2013



Source: Bureau of Labor Statistics

While Kane County's economy isn't booming, it is certainly in recovery mode. The current quarter's rate of employment expansion provides the best economic news of the post-recession years.

Washington County

Indicators currently suggest that Washington County's economy hangs out in the "Goldilocks" zone. Growth isn't too hot or too cold; it's just right.

Year-to-year job growth has bounced around between roughly 5 and 6 percent for two years. Between September 2012 and September 2013, Washington County added more than 2,300 new jobs for an expansion rate of 4.7 percent. In addition, the county continues to add employment at a faster rate than both the state (3.1 percent) and the nation (1.7 percent).

Most major industries shared in the economic joy in third quarter 2013. Construction employment was back with a vengeance with a 600-job 16-percent year-to-year gain. Private education and health and social services (up 500-plus jobs) and leisure and hospitality services (up more than 400 jobs) also contributed to the county's strong expansion. Despite the closure of Viracon earlier in the year, manufacturing managed a nice, healthy 5-percent gain.

The information industry and professional and business services displayed the only employment declines of note. Even among the contracting industries, losses proved relatively small.

Not surprisingly, the county's jobless rate continued to tumble. As of December 2013, Washington County's unemployment rate estimated measured just 4.5 percent and seems headed rapidly toward a full-employment level. Since it peaked at 11 percent in late 2009, joblessness has trended ever downward.

In third quarter 2013, gross taxable sales generated a 9 percent year-over gain marking the 11th straight quarterly increase. Gains proved particularly large at motor vehicle and parts dealers, building materials and supplies stores and general merchandise stores.

Currently, its "just right" growth places Washington County's stable economy in an enviable position. In addition, announced relocations and employment additions should continue to buoy up the area's economy.

For up-to-date information on the southwest Utah economy: <http://utaheconomysouthwest.blogspot.com/>



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The Equal Employment Opportunity Data

BY MELAUNI JENSEN, LMI ANALYST

From 2010 - 2013, there was an estimated 5.0 percent population growth in Utah compared to 2.4 percent in the United States. Demographic statistics like this from the U.S. Census Bureau's American Community Survey (ACS) are important and useful for the communities of Utah. The ACS asks a variety of demographic questions including race, gender, employment, income and education, and is a valuable source of occupational information. The survey provides unbiased data that are used to create occupational profiles as complete and accurate as possible. Profiles can then be used by government, community organizations or private businesses to make informed decisions.

Regional economists at the Department of Workforce Services analyze the data in an effort to tell a story about the changing aspects of the economy. The profile for a geographic area helps to reveal trends in the workforce and the economy. For instance, research has shown that the changes in age, compared to population growth, could make an impact on the future workforce. As people live longer, more workers retire, which can reduce the growth in the future labor force. Communities will need information like this to keep up with changing dynamics.

The ACS tells stories that can help communities to plan. Businesses can use the information about education and employment to find

strategic places to develop new establishments in their industry. A business specializing in senior services might look for potential employees skilled in nursing, or a business trying to obtain funding needs to show that their diversity follows the community. In an effort to keep up with basic services, local governments can look at commuting patterns and population to make decisions about transportation, or aging statistics to find the need for hospitals and schools. Local non-profit groups benefit from seeing a profile of the area that helps with emergency planning, finding funding or developing community projects. In a world that is growing technologically, jobs are changing and educators might use the data to evaluate the need to teach new methods and skills.

The combinations are endless in both the gathering and the analysis of these statistics, but it is clear that demographics are an important tool for communities transitioning to the changing future.

Many of these analyses can be found on Utah's Labor Market and Economy blog and other publications. <http://jobs.utah.gov/wi/pubs/publicat.html> and <http://economyutah.blogspot.com>